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Memorandum

TO: Commission

DATE: January 28, 2009

FR: Deputy Executive Director, Policy

W. I.: 1515

RE: Suspension of Proposition 1B Reimbursements – Bay Area Projects At Risk

At the January 14th Programming and Allocations Committee meeting, staff informed the Commission of the risk to Bay Area projects due to a freeze on reimbursements of state Proposition 1B bond funds.

In December 2008, the Pooled Money Investment Board (PMIB) suspended reimbursement for all Proposition 1B funded projects. This suspension freezes roughly \$1 billion in bond funds to over 90 projects in the Bay Area. The attached memorandum to the Committee outlines the projects immediately at risk and provides some options to avoid halting projects to the subset already under construction.

Since the January 14th Committee meeting, the PMIB has met and approved reimbursements for January. The PMIB will meet again in February to assess the situation. Staff continues to evaluate the affects of the freeze on Bay Area projects under construction and projects scheduled to go to construction over the next several months.

On January 28th, staff may recommend for approval a strategy to keep construction going for these critical projects. Potential components of the strategy are included in the attached Committee memorandum.

Therese W. McMillan

Attachments: PAC Summary dated 1/14/09

Attachment A: Projects Affected by PMIA Suspension

Attachment B: Projects Affected by PMIA Suspension: Short Term Impacts

Attachment C: Map